

# Family Wealth Protection and Preservation



*Planning for a Lifetime of Protection,  
Guidance and Love*

**Law Offices of Laurent W. Metzler, JD, MRFC**  
**Attorney at Law**  
**TRUSTS - ESTATES - FAMILIES**

**Law Offices of Laurent W. Metzler, J.D.**  
**Legal Innovation, Every Day**

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**How is the law firm of Law Offices of Laurent W. Metzler different than most other law firms that practice in the area of estate and financial planning?**

**First: Our firm does not charge hourly fees for estate planning engagements.**

All of our estate planning clients are quoted and billed on the basis of a flat fee. Our clients know well in advance what fee they will incur and what services will be provided for that fee. Therefore, there are never any unpleasant billing surprises.

**Second: Our firm is not in the business to simply perform transactions. We feel that we are in business to help our Clients continually make the very best decisions for their family, now and in the future.**

Many times clients have had their estate planning documents prepared by a firm that after the delivery of the documents, never contacts them again. At the Law Offices of Laurent W. Metzler, on the three (3) year anniversary of the signing of their estate documents, each of our clients receive a review of their estate plan to ensure that it is still viable in light of any changes in their circumstances or changes in the law, etc. There is no charge for this review.

**Third: Our firm provides clients with a process to make certain that their estate plan will function as they intended.**

Many law firms feel that their sole and only obligation is to prepare legally effective estate planning documents for their clients. All too often there is no responsibility taken by the law firm to ensure that the clients' intentions will actually come to fruition. To make absolutely certain that our clients' estate plan will function properly, and as they intended, we provide a process to ensure that the manner in which they hold title to their assets, and the manner in which they have set up the beneficiary designations of their life insurance, qualified benefit plans, and IRAs, is properly coordinated.

**Fourth: Our firm provides you with unlimited access to our attorneys and staff regarding any and all questions pertaining to your estate plan.**

Most firms charge hourly fees to respond to client questions about their estate plan. At the Law Offices of Laurent W. Metzler, you will **never** be billed for asking and receiving answers to questions pertaining to your estate plan.

**Fifth: All of our attorneys respectively have at a minimum, over thirty years experience in the fields of estate planning, financial planning, wealth preservation, and tax planning.**

**Sixth: All of our non-legal support staff have degrees in accounting, business, and finance.**

**Seventh: Law Offices of Laurent W. Metzler is one of a number of family owned , integrated and affiliated “LIFE PLANNING” companies whose sole mission is to assist our clients to build, protect, preserve, and pass on their wealth to their children, grandchildren, and charitable organizations.**

Instead of the compartmentalized approach used by most firms, our team of attorneys, accountants, wealth advisors and insurance specialists analyze our client’s current situation in light of their short, intermediate and long-term goals and objectives. We then provide comprehensive, integrated, and global solutions designed to achieve these goals and objectives.

In essence, our goal is to create a “LIFE PLAN” for our clients that affords them “cradle to grave” planning and protection, and the confidence of knowing that they have minimized their exposure to risk, maximized the growth of their wealth, taken full advantage of all appropriate tax strategies, and maximized the legacy that they leave to their children and grandchildren,

# THE LIFE PLAN™

**Legal - Insurance - Financial - Estate**

**THE LAW OFFICES OF  
LAURENT W. METZLER, J.D.**

## ESTATE PLANNING

Wills, Trusts, POA's  
Living Wills  
Elder Care  
Guardianships  
Legacy Planning  
Estate Administration  
Estate Litigation  
Fiduciary Tax Returns

## REAL ESTATE TRANSACTIONS

## BUSINESS SERVICES

Business Selection & Formation  
Succession Planning  
Owner Exit Strategies  
Business Transfers  
Mergers, Sales & Acquisitions

**APOGEE**  
FINANCIAL SERVICES GROUP

## WEALTH MANAGEMENT

Registered Investment  
Advisor  
Charles Schwab Advisor  
Retirement & Retirement  
Income Planning  
Social Security  
Planning  
Long Term Care  
Planning  
Personal Financial  
Planning  
Debt Elimination &  
Programmed Savings  
Solutions  
Personal & Business  
Tax Planning  
Personal & Business  
Tax Return Preparation

**INNOVATIVE**  
RETIREMENT SOLUTIONS

## CRASH PROOF RETIREMENT SOLUTIONS

Tax Favored Retirement  
Solutions  
Retirement Plan Analysis  
and Optimization  
Money Management  
Solutions  
Risk Management  
Solutions  
Life Insurance  
Annuities  
Long Term Care  
Insurance

**INNOVATIVE**  
COLLEGE FUNDING SOLUTIONS

## FINDING MONEY FOR COLLEGE & MAXIMIZING FINANCIAL AID

Asset Repositioning  
FAFSA and CSS Profile  
Form Preparation  
Financial Aid Appeals  
Alternative Funding  
Solutions  
Student Coaching and  
Positioning  
School Selection  
Scholarship Assistance  
College Planning Network  
Members & Advisors

# PLEASE REVIEW YOUR NEEDS

- I Need To Avoid Probate
- I Need To Guarantee That My Spouse Would Know What To Do If Something Happened To Me
- I Need To Have My Estate Plan Reviewed
- I Need To Consider Advanced Federal Estate Tax Protection Strategies
- I Need To Consider Advanced New Jersey Estate Tax Protection Strategies
- I Need A Business Succession Plan For My Business
- I Need Non-Biased Counsel Regarding My Personal Family Business
- I Need To Confirm That I Will Receive My Inheritance Protected From Creditors
- I Need To Learn How To Protect My Children's Inheritance From Creditors, A Bad Marriage, Or From Being Squandered Due To My Children's Lack Of Maturity
- I Need To Make Certain That If I Pre-Decease My Spouse, My Assets Won't Go To My Spouse's New Husband Or Wife
- I Need To Have A Power Of Attorney Prepared
- I Need To Have An Advance Medical Directive Prepared ("Living Will")
- I Need To Discuss Elder Care Issues
- I Need To Discuss How To Best Plan For A "Special Needs" Child, Grandchild, Or Other Family Member
- I Need A Kids Protection Plan For My Children Or Grandchildren

# PLEASE REVIEW YOUR NEEDS

- I Need To Learn How To Maximize My Children's and Grandchildren's Inheritance.
- I Need To Protect My Assets In The Event I Have To Go Into A Nursing Home.
- I Need To Learn How To Protect My Portfolio From Another Market Crash Without Buying An Annuity.
- I Need To Learn How To Provide For Nursing Home Care Without Buying Long Term Care Insurance.
- I Need To Learn How To Protect My Wealth From Lawsuits And Creditors.
- I Have Investment Properties And Need To Make Certain My Other Assets Are Protected In The Event Of A Tenant's Claim.
- I Need Non-Biased Counsel Regarding Maximizing My Retirement Savings.
- I Need To Learn How To Minimize The Impact Of Income Taxes On My Retirement Plan Distributions.
- I Need To Learn Why Contributing More Money To My Retirement Plans Above The Amount Necessary To Maximize My Employer's Match .May Not Be In My Best Interest.
- I Need To Learn Why My Current Investment Advisor's Investment Strategy Guarantees A Significant Loss During The Next Market Correction.
- I Need To Learn Why My Fundamental Investment Strategy Should Have Changed After 1999 But Probably Hasn't.
- I Need To Know If I Should Consider A Roth Conversion.
- I Need To Discuss Social Security Issues.
- I Need To Discuss Medicare Or Medicaid Issues.
- Other \_\_\_\_\_

# **THE FOURTEEN DEVASTATING ESTATE PLANNING MISTAKES**

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**TRUSTS - ESTATES - FAMILIES**

# *PROCRASTINATION*

**When it comes to estate planning, we are all guilty of procrastination.**

We routinely hear:

“We’ll get it done tomorrow.”

“What’s the rush?”

“I’m too busy right now.”

“Vacation is still six months away, but we’ll get it done before we go away.”

“I don’t like to think about it, and I don’t want to talk about it.”

“I’ll make sure I put it on my things-to-do list.”



**BELIEF:** *We all think we have time to get it done tomorrow, next week, or next month.*

**FACT:** *Yesterday is a memory and tomorrow is but a hope promised to no one.*

**You may recognize the names of some of the people mentioned below. I'm sure they all thought that they "*had time*". In fact, they didn't.**

**Tim Russert**

**Heath Ledger**

**Anna Nicole Smith**

**Lady Diana, Princess of Wales**

**Michael Jackson**

**James Gandolfini**

**Prince**

## MISTAKE NUMBER TWO

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### *OVER CONFIDENCE*

**“I had a Will and other estate documents prepared about five years ago.**

**I checked that task off of my “TO DO” list so I’m good. Right?”**

**BELIEF:** Once I complete my estate plan, I can put the documents in my desk or safety deposit box and forget about them.

**FACT:** On a minimal basis, your Will (and your Trust if you have one) should be **reviewed no less than every three years** to make certain that your estate plan is still in keeping with your dispositive wishes, changes in the law, changes in the tax code (both state and federal), and changes in your family relationships and/or composition.

Your power of attorney and your advance medical directive (Living Will) should be **reviewed every two years** to make certain that these documents are in compliance with the current law, are consistent with your wishes, the changes in your family relationships and composition, and, the then current policies of the banks and brokerage firms where you keep your investment assets.

***CONCLUDING THAT MAKING A  
WILL  
DISPOSES OF ALL OF MY PROPERTY***

**BELIEF:** Upon my death, the disposition of the bulk of my estate will be controlled by the terms of my Last Will and Testament.

**FACT:** Nothing could be further from the truth. In the typical marital situation, at the death of the first spouse, **less than 15% of the total dollar value of the married couple's combined estates is controlled by the decedent's (first spouse to die) Will.**

## **MISTAKE NUMBER THREE - CONTINUED**

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**Each asset class (set forth below) is transferred differently upon death.**

**PROBATE: BY WILL:**

- a) Tangible
- b) Intangible
- c) Real

**JOINT: BY OPERATION OF LAW:**

- a) J.T.W.R.O.S.
- b) T.B.T.E .
- c) T.I.C.

**LIFE INSURANCE: BY CONTRACT:**

- a) Term
- b) Whole Life
- c) Universal Life
- d) Indexed Universal Life
- e) Variable Life
- f) Credit Life
- g) Other

**ANNUITIES: BY CONTRACT:**

- a) MYGAs
- b) Fixed & Equity Indexed Annuity
- c) Variable Annuity

**BENEFITS: BY CONTRACT:**

- a) IRA
- b) 401(k), 403(b) plans
- c) Profit sharing plans
- d) Pension plans
- e) Deferred compensation plans

**NOTE: The TOTAL VALUE of the five estates set forth above represent your gross estate for <sup>1</sup>/<sub>2</sub> Federal Estate Tax and New Jersey Estate and Inheritance Tax purposes.**

# PROBATE ESTATE & ESTATE TAX WORKSHEET

## PROBATE ESTATE

Family Home (Gross Fair Market Value)	\$ _____
Rental Property (Gross Fair Market Value)	\$ _____
Furniture, Household Goods	\$ _____
Automobiles	\$ _____
Stocks, Bonds, Other Investments	\$ _____
Business Interests	\$ _____
Life Insurance or Retirement Accounts	\$ _____
<b>TOTAL</b>	\$ _____
<b>5% of the Gross Estate For Costs &amp; Fees</b>	\$ _____
<b>Your Estimated Probate Costs &amp; Fees</b>	\$ _____

## ESTATE - TAXABLE ESTATE

Family Home (Equity)	\$ _____
Rental Property (Equity)	\$ _____
Furniture, Household Goods	\$ _____
Automobiles	\$ _____
Stocks, Bonds, Other Investments	\$ _____
Business Interests	\$ _____
Life Insurance (Death Benefit)	\$ _____
Retirement Accounts	\$ _____
<b>TOTAL</b>	\$ _____
<b>40% Maximum Tax on Assets Over \$11.7 Million</b>	\$ _____
<b>Estimated Tax On Your Assets</b>	\$ _____

## MISTAKE NUMBER FOUR

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### ***FAILURE TO UNDERSTAND THE SIGNIFICANCE OF HOW ASSETS ARE TITLED***

**BELIEF:** Having all of my assets titled either in my name or in joint name with my spouse is the way to go. Right?

**FACT:** Having your assets titled all in your name or in joint name with your spouse could cause your estate plan to fail.

It may also cause your estate to be exposed to the claims of creditors.

It may also result in your estate being left to your spouse's new boyfriend, girlfriend, or new husband or wife.

It may also inadvertently result in the disinheritance of your children and grandchildren.

**NOTE:** Finally, it may result in your estate being liable for the payment of New Jersey state inheritance taxes, and federal estate taxes at a rate of 40%.

### ***FAILURE TO TAKE FULL ADVANTAGE OF THE FEDERAL ESTATE TAX EXEMPTION***

For 2021, every individual has the ability to shelter up to \$11,700,000 from the imposition of Federal estate taxes.

**BELIEF:** For 2021, a married couple can shelter up to \$23,400,000 from the imposition of Federal Estate Taxes.

**FACT:** Unless you affirmatively elect to utilize or take advantage of the “equivalent exemption” at the death of the first spouse (or within nine months thereafter) you will have waived your ability to do so in the future.

Therefore, for 2021, for a couple whose estate is over \$11,700,000, the value and utility of establishing a trust should be explored, as any excess over the \$11,700,000 exemption will be taxed at approximately 40%.

**NOTE:** Under the current federal estate tax regulations, if the first decedent’s spouse’s estate is less than \$11,700,000, the unused portion of the exemption is available to be used by the surviving spouse. This new benefit is called “portability”.

### ***FAILURE TO FULL UNDERSTAND AND TAKE ADVANTAGE OF THE BENEFITS OF A REVOCABLE LIVING TRUST***

**A revocable Living Trust can provide the following benefits.**

- Avoids probate and therefore **avoids the payment of probate fees and costs.** Also **avoids public disclosure** at the death of both spouses.
- Prevents non-probate property from becoming subject to probate at the death of both spouses who leave behind a surviving child or grandchild.
- Avoids delays in your spouse's and/or other beneficiaries' access to assets and income from those assets.
- Provides lifetime asset management and administration (**DISABILITY AND/OR INCAPACITY**).
- Provides a tax effective "mechanism" to "capture" the federal "equivalent exemption" at the death of the first spouse and **therefore maximizes both spouse's federal estate tax exemptions and minimizes the impact of federal estate taxes.**



## MISTAKE NUMBER SIX CONTINUED...

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- Provides a tax effective “mechanism” to create a standard “marital deduction” or a “Q-Tip marital deduction trust upon the death of the first spouse. (**Addresses the issue of protecting the marital assets from getting into the hands of a new husband or wife after the death of the first spouse thereby disinheriting your children**)
- Provides a tax effective “mechanism” to create “Generation Skipping” trusts or “Dynasty Trusts” upon the death of the first or second spouse.
- Can provide **protection of beneficiary’s assets from creditors, future spouses, divorce of children and/or grandchildren, and poor judgment by the beneficiaries.**
- Can provide for the **minimization of the New Jersey Inheritance Tax.**
- Ease of transfer of assets into the “tax effective” trusts established within the revocable trust after each spouse’s death.
- Ease of transfer of assets into the revocable living trust during the Trustor’s lifetime.

**NOTE:** In order to guarantee that your estate plan will function as intended when you need it most (at your death) your trust must be properly “funded” and the way you hold title to your assets and your beneficiary designations<sup>17</sup> must be properly coordinated with the dispositive provisions of your trust.

## MISTAKE NUMBER SEVEN

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### ***FAILURE TO UNDERSTAND THE RELATIONSHIP BETWEEN THE FEDERAL ESTATE TAX EXEMPTION AND THE NEW JERSEY ESTATE TAX***

**BELIEF:** There is congruency between the federal estate tax and the New Jersey estate exemptions.

**FACT:** Since 2001 there is no congruency.

As previously stated, at the present time, the federal estate tax equivalent exemption is \$11,700,000.

As of January 1, 2018, New Jersey however has eliminated the New Jersey estate tax. However, given New Jersey's fiscal problems, do not rely on permanent elimination of this tax.

**NOTE:** *For New Jersey inheritance tax purposes, any transfers at death to any non-exempt beneficiary are taxed at 15% or more.*

## MISTAKE NUMBER EIGHT

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### ***FAILURE TO UNDERSTAND THE FEDERAL GIFT TAX RULES***

**BELIEF:** I can reduce the value of my estate for federal estate tax and New Jersey estate tax purposes by giving my property away during my lifetime.

**FACT:** All gifts that exceed (or in the past have exceeded) the annual gift tax exclusion in place in the year the gift was made will be added back to the value of my taxable estate upon my death.

#### **YOU NEED TO KNOW THE RULES:**

**Annual Exclusion:** For 2021:

Individual: \$15,000 per year - per donee

Split: \$30,000 per year - per donee - per married couple regardless of which spouse owns the assets transferred.

**Lifetime Exclusion:** \$11,700,000 plus all gifts that are equal to or under the annual gift tax exclusion in effect at the time the gift was made.

## PLEASE NOTES:

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- (1) All post 1976 cumulative gifts made in excess of the annual exclusion in effect in the year that the gift was made are “grossed up” in your taxable estate as “adjusted taxable gifts” for the purposes of the calculation of your “taxable estate” for federal estate tax purposes.
- (2) Any post 1976 gifts that exceeded the annual gift tax exclusion in place in that year are taxable gifts. As such, the DONOR (the person making the gift) must file Form 709 (United States Gift Tax Return) and, if required, pay any gift taxes that are due by April 15<sup>th</sup> of the year following the year of the gift.
- (3) If a taxable gift is made and Form 709 is never filed, the statute of limitations never starts and therefore never tolls. The result is that the valuation of the taxable gift is left open to challenge indefinitely by the Internal Revenue Service.
- (4) Any time you place property in joint name with another person or persons, you are making a gift. Depending upon the value of the property at the time of the gift, you may be incurring a gift tax liability.
- (5) Any time you place property in joint name with another person or persons you are restricting your control, access and dominion over the property transferred.
- (6) All property transferred by gift retains the donor’s original tax basis (as opposed to the basis being “stepped-up” upon the owner’s death.)
- (7) Due to the “unlimited marital gift tax deduction” there are no gift taxes that will arise from the transfer of property between spouses.

***FAILURE TO PROPERLY PLAN TO PROTECT  
YOUR ASSETS FROM BEING SPENT DOWN  
ON THE COST OF LONG-TERM CARE***

**BELIEF #1: I probably won't need nursing care or long-term care.**

**FACT:** Statistically 43% of “seniors” will require nursing home care and 70% will require long-term care prior to their death.

**BELIEF #2: I have enough money set aside to address this problem.**

**FACT:** Depending upon where you live, you may have under-estimated the costs:

\$6,000 to \$7,000 per month for home care; or

\$7,000 to \$10,000 per month for assisted living; or

\$10,000 to \$14,000 per month for nursing home care.

## MISTAKE NUMBER NINE CONTINUED...

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**BELIEF #3: My primary residence is protected.**

**FACT:** Your primary residence is not protected. If Medicaid is utilized, a lien will be placed on the primary residence and will be satisfied upon the death of the “community spouse”.

**BELIEF #4: My IRA is protected from being “spent down”.**

**FACT:** In New Jersey, since 1997, your IRA is not protected.

**BELIEF #5: Placing an asset in joint name with my child or children will protect it from being “spent down”.**

**FACT:** Unless the child or children can prove “contribution” the account is usually not protected.

**BELIEF #6: I can transfer my assets now and in three (3) years I will qualify for Medicaid.**

**FACT:** The “look-back” period is now five (5) years not three (3) years. It is likely that this “look-back” period will be further extended by congress.

## MISTAKE NUMBER NINE CONTINUED...

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**BELIEF #7:** There is no need to rush into examining the need to make Medicaid transfers.

**FACT:** If you require Medicaid Planning, starting the five-year clock now could prove advantageous.

**BELIEF #8:** I can give away half of my assets to my spouse and retain the balance of my assets for my long-term care.

**FACT:** This planning technique has been eliminated by the Deficit Reduction Act.

**BELIEF #9:** Irrespective of the value of my estate, the non-institutionalized spouse (called the “community spouse”) can retain an unlimited amount of assets as long as the institutionalized spouse spends down all of his or her assets.

**FACT:** The healthy spouse (community spouse) can only retain the greater of \$26,076 or 50% of the couple’s joint assets up to a maximum of \$130,380 of countable assets (exclusive of the primary residence).

## MEDICAID DESK REFERENCE - NEW JERSEY

<b>Divestment Penalty Divider</b>	<b>\$357.67 Per Day</b>
<b>Income Cap</b>	<b>\$2,205.00</b>
<b>Individual Resource Allowance</b>	<b>\$2,000.00</b>
<b>Monthly Personal Needs Allowance</b>	<b>\$117.75</b>
<b>Minimum Community Spouse Resource Allowance</b>	<b>\$ 2,6076.00</b>
<b>Maximum Community Spouse Resource Allowance</b>	<b>\$130,380.00</b>
<b>Minimum Monthly Maintenance Needs Allowance</b>	<b>\$2,155.00</b>
<b>Maximum Monthly Maintenance Needs Allowance</b>	<b>\$3,259.50</b>
<b>Shelter Standard</b>	<b>\$826.30</b>
<b>Standard Utility Allowance</b>	<b>\$548.00</b>
<b>Resource Allowance for a Couple (Husband &amp; Wife both in facility)</b>	<b>\$3,000.00</b>
<b>Look Back Period</b>	<b>60 Months</b>



## LONG-TERM CARE PLANNING OPTIONS

### WHILE YOU HAVE TIME

1. **Do nothing.** This is an affirmative decision.
2. **Buy traditional long-term care insurance.**

**Pros:** Addresses the issue to some degree

**Cons:** Benefits may not keep pace with inflation, need to be healthy, money is wasted if I don't use it.

3. **Invest in an “asset based” long-term strategy.**

**Pros:** If desired, total refund of premium if not used during lifetime, death benefit, can serve to protect all other assets from spend-down if structured properly

**Cons:** Need to be relatively healthy.

# Asset Based Example - Mary (age 60)



**Mary is concerned because she has a history of Alzheimer's Disease in her family.**

**Mary is willing to transfer \$50,000 from her MMA to an asset-based solution.**

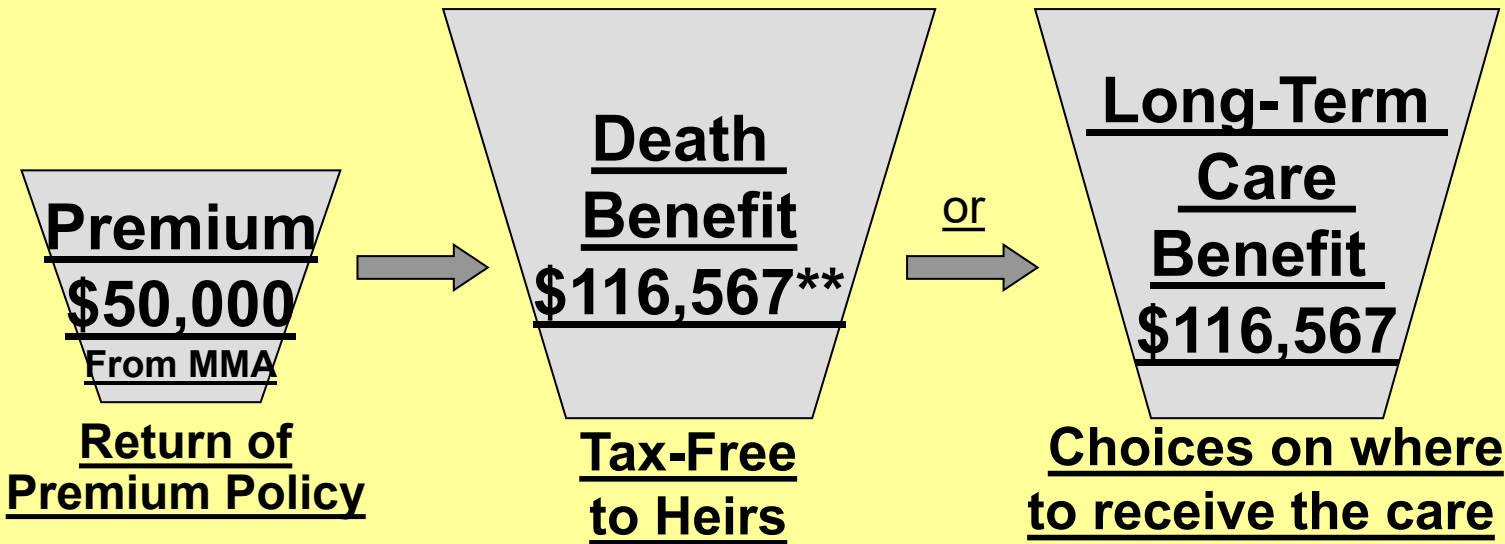
These examples are hypothetical, and are not intended to provide a recommendation for any specific financial product, nor is this information intended to be used as the sole basis for financial decisions, nor should it be construed as advice designed to meet the particular needs of an individual's situation.



# Asset Based Example – Mary

## Asset Preservation Strategy Combo Life & LTC

Based on a 65-year-old female non-smoker in good health



\* Return of premium products are limited. Please consult an insurance agent for more information. \*\* 116,567 at age 65 varies by carrier. Income tax free according to current tax code. Life insurance guarantees rely on the financial strength and claims-paying ability of the issuing insurer. These examples are hypothetical, and are not intended to provide a recommendation for any specific financial product, nor is this information intended to be used as the sole basis for financial decisions, nor should it be construed as advice designed to meet the particular needs of an individual's situation.

### ***FAILURE TO PROPERLY SELECT FIDUCIARIES***

**For the purposes of this workshop, the following are considered “fiduciaries”:**

- The guardian of the person of a minor child or legally incompetent person.
- The guardian of the estate of a minor child or legally incompetent person.
- An executor named in a decedent’s Last Will and Testament.
- A trustee named in a trust (revocable living trust or a testamentary trust).
- An “attorney-in-fact” named in a power of attorney.
- A “medical decision attorney-in-fact named in an advanced medical directive (a so called “living will”).

**You must:**

- **Make certain to inform the individuals you select.**
- **Name several successors.**
- **Provide your personal insight into your expectations, instructions, etc.**

# *FAILURE TO HAVE A POWER OF ATTORNEY AND THE FAILURE TO HAVE IT UPDATED ON A REGULAR BASIS*

**BELIEF:** In the event of your disability or incapacity, your spouse, significant other, or family member would be able to carry on with the your personal, financial and business affairs.

**FACT:** Upon your disability or incapacity, **without a valid and up-to-date durable power of attorney in place, someone will have to petition the court to be appointed as your guardian. Until the applicant, or some other person is appointed, nothing can happen with your personal, financial and business affairs.**

**BELIEF:** Powers of attorney are good until revoked by the principal, or upon the death of the principal.

**FACT:** From a purely legal sense, powers of attorney **are valid until they are revoked by the principal, or upon the death of the principal. However,** from a practical standpoint, most banks, brokerage companies and insurance companies will not accept a power of attorney that is more than two (2), or sometimes three (3) years old.

***FAILURE TO HAVE A “LIVING WILL”  
(AN ADVANCED MEDICAL DIRECTIVE)***

***AND***

***THE FAILURE TO HAVE IT UPDATED ON A REGULAR BASIS***

**BELIEF:** In the event you are in an coma, a chronic vegetative state, or in a chronic degenerative state such that if you were able to communicate your wishes you would request to be permitted to die, your spouse, significant other, or family member would be able to (a) know your wishes, and (b), would be willing and able to carry out your wishes.

**FACT:** Without a valid executed advance medical directive, your wishes may never be communicated, understood, or carried out.

**REMEMBER** the Karen Ann Quinlan case and the public spectacle of the Terry Shiavo case.

**NOTE:** *Just like your power of attorney, make certain to update your advance medical directive at least every two (2) years.*

### ***FAILURE TO PROPERLY PLAN FOR THE EVENTUAL INCOME TAXATION ON THE TRANSFER OF IRAs AND OTHER QUALIFIED BENEFIT PLAN ASSETS***

**BELIEF:** Upon death, I will be able to permit my heirs to “stretch out” distributions from my IRAs and qualified benefit plans.

**FACT:** For non-spousal beneficiaries, pursuant to the SECURE ACT, after January 1, 2020, distributions from inherited IRAs must be withdrawn within ten (10) years from the date of death of the account owner.

There are literally trillions of dollars invested in various forms of IRAs and qualified benefit plan accounts and the IRS obviously has their eyes on this money. *“The IRS rules and regulations respecting IRAs and IRA distributions are some of the most complicated in the Internal Revenue Code.”* (Ed Slott). Accordingly, care must be taken to ensure that the dispositive plan reflected in a client’s estate plan is carried out in the manner in which they have established their beneficiary designations on their IRAs and qualified benefit plans.

**NOTE:** In addition, improper or lazy planning could result in the entire value of these accounts being taxed in one tax year.

### *FAILURE TO PROPERLY AND LEGALLY NAME GUARDIANS OF THE ESTATE AND OF THE PERSON OF FOR YOUR MINOR CHILDREN OR GRANDCHILDREN*

**BELIEF:** If my spouse and I are involved in an accident, are disabled, or are killed, my neighbors, friends, family, etc. will be able to legally take custody of my minor children (or grandchildren) until the arrival of my permanent guardians (assuming in the first instance that you have named permanent guardians).

**FACT:** Without a legally documented Kids Protection Plan, your minor children (or grandchildren) could be taken from your home and placed in children's protective services (DYFS).



# Your Next Steps

- 1.) **Complete** your Family & Wealth Needs Evaluation Sheet
- 2.) **Return** Your Evaluation form to **ACONROY@METZLERLAW.NET**
- 3.) **Schedule** your **Free Family & Wealth Protection Planning Session**

*(A \$500.00 Value!)*